

Residents Of Two Newark Apartments To Receive Funds As A Result Of DOJ Consumer Fraud Action

Payments Part of Resolution of Case against Autumn Park and Hidden Creek Apartment Complexes

Residents of two apartment complexes in Newark are eligible to receive some funds as a result of an action by the Delaware Department of Justice Consumer Protection Unit alleging the apartments were advertised to have amenities that they did not have or which were not operational. The owners and property manager of Hidden Creek are also prohibited in the future from renting residential apartment units anywhere in the state suffering the same types of issues.

The Consumer Protection Unit last week settled its suit, which was filed in March 2017, against Metrodev Newark, LLC, the owners of the former Autumn Park Apartments on Winterhaven Drive, Water Polo IV, L.P. the owners of Hidden Creek Commons on Hobart Drive, and the Metropolitan Management Group, Inc., the entity hired as property manager for the two complexes.

Anyone who was a tenant at Autumn Park between March 13, 2012 and June 30, 2017, or a tenant of Hidden Creek between March 13, 2012 and the present can complete a claim form at <https://attorneygeneral.delaware.gov/fraud/cpu/aptset/> to receive funds as a result of the action. Tenants can also contact the Consumer Protection Unit at (302) 577-8600 or via email at consumer.protection@delaware.gov.

Prompting the consumer suit were over 80 consumer complaints filed by tenants with DOJ complaining of lack of HVAC services, faulty appliances, plumbing issues, health and

safety concerns, and a lack of responsive maintenance. Both complexes had numerous code violations. Despite all this, advertising for the complexes consistently promised amenities such as free heat and hot water, air conditioning, fully equipped kitchens, and 24-hour emergency repair. The Consumer Protection Unit alleged that the failure to provide the promised amenities and services, after having repeatedly advertised their availability, were misrepresentations, false promises and omissions in violation of Delaware consumer fraud laws.

As a part of the settlement, the defendants are prohibited from renting residential apartment units in Delaware that suffer from open code or municipal health, safety, or welfare violations that were active at the time of renting a unit to a tenant. Defendants may not rent units that lack facilities or amenities as advertised or promised to the public, and are prohibited from using false or misleading advertisements. The only property currently under defendants' ownership or control in Delaware is the Hidden Creek Commons community.

As a part of the settlement, the defendants will provide training to their staff to ensure they are knowledgeable of the requirements of the [Delaware Residential Landlord Tenant Code](#), [New Castle County Tenants and Rental Code](#), and state and federal fair housing laws. The defendants will also institute training for tenants to ensure that tenants are aware of their rights under the Delaware Residential Landlord Tenant Code and the New Castle County Tenants and Rental Code.

Finally, the defendants will pay a civil penalty in the amount of \$400,000. These funds will be used to make payments to affected tenant consumers who complete the claim form and provide supporting documentation. Remaining funds will go to the state's Consumer Protection Fund to repay the costs of the investigation and to fund other consumer protection activities in Delaware.

"This case was a priority of former Attorney General Matt Denn because tenants were living in conditions that were unacceptable," Attorney General Kathy Jennings said. "I am proud of the work that DOJ has done to send the message that such misleading conduct should not be tolerated."

This case was handled for the Consumer Protection Unit by CPU Assistant Director Gillian Andrews, Deputy Attorney General Gina Schoenberg, Special Investigators Robert Schreiber, Bruce Pinkett, and LaVincent Harris, and Paralegal Angela Williams.